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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) August 14, 2007 (Shirtsleeve Session)
b) August 15, 2007 (Regular Meeting)
c) August 21, 2007 (Shirtsleeve Session)
d) August 28, 2007 (Shirtsleeve Session)

MEETING DATE: September 5, 2007

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) August 14, 2007 (Shirtsleeve Session)
b) August 15, 2007 (Regular Meeting)
c) August 21, 2007 (Shirtsleeve Session)
d) August 28, 2007 (Shirtsleeve Session)

BACKGROUND INFORMATION: Attached are copies of the subject minutes, marked Exhibits A through D.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk

RJ/JMP

Attachments

APPROVED: _____
Blair King, City Manager

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, AUGUST 14, 2007**

EXHIBIT A

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, August 14, 2007, commencing at 7:00 a.m.

A. ROLL CALL

Present: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Absent: Council Members – Mounce

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. TOPIC(S)

B-1 "Utilities Quarterly Update"

City Manager King briefly introduced the subject matters.

Deputy City Manager Krueger provided an overview of the water and wastewater utilities quarterly update. Specific topics of discussion included summary, wastewater financials ending June 30, 2007, wastewater operating expenses, water financials ending June 30, 2007, and water expenses by series.

In response to Mayor Johnson, Mr. Krueger stated that the other figure in the wastewater fund is primarily interest.

In response to Council Member Hitchcock, Public Works Director Prima stated the service water facility and an unfinished water well may account for what was not done from the capital outlay funds.

In response to Council Member Hansen, Mr. King stated the repayment of the previously borrowed \$6 million was accounted for and set up in a rate structure through a repayment schedule.

In response to Council Member Hansen, Mr. Krueger stated the savings mainly come from the non-purchase of granular activated carbon filters, staff shortages, and other various items. Mr. Krueger stated the other payments amount will be less than shown because all anticipated expenses, including the Woodbridge water payment, were conservatively accounted for.

In response to Council Member Hitchcock, Mr. Krueger stated unused amounts are rolled over to the next year if there is a contract because the amount is encumbered. Mr. King provided a brief overview of the process associated with transfers to the fund balance.

Electric Utility Director Morrow provided an overview of the electric utility quarterly update. Specific topics of discussion included the cash position and overview, financial results, electric expenses by series, sales, heating and cooling degree days, other revenue, the Northern California Power Agency (NCPA) general operating reserve, financial forecast, financial ratings, power supply, open position, and overall summary.

In response to Council Member Hitchcock, Mr. Morrow stated last year the market surpassed the budget fairly quickly due to timing. Mr. Morrow stated the market can again fluctuate this year, but there is a better cushion.

In response to Mayor Johnson, Mr. Morrow stated the upcoming year will be more stable because in 2007 the budget was finalized before some purchases were made. He stated this year the purchases were primarily made before the budget was finalized, but there is still the fluctuating market factor.

In response to Mayor Johnson, Mr. Morrow stated the transmission cost may be lower because of ancillary services and he will bring back additional information regarding the same at the next update. Mr. King stated transmission cost was one of the biggest variables last year.

In response to Mayor Johnson, Mr. Morrow stated there is no hard line minimum amount that NCPA would like us to maintain. He stated they are looking for the City to maintain a certain level of reserves; however, that is consistent with a three-month purchase price.

In response to Myrna Wetzel, Mr. Morrow stated they do receive interest and that amount is placed into securities.

In response to Mayor Johnson, Mr. Morrow and Mr. King stated the Roseville money is reflected in the purchase power chart and the money will be placed into the reserve to further the Council's goal and policy of increasing its reserves.

In response to Council Member Hansen, Mr. Morrow stated the estimated completion date for Roseville is October 1, 2007.

In response to Council Member Hitchcock, Mr. Morrow stated purchase power cost fluctuation is very difficult to predict and the 2011 anticipated fluctuation is based on NCPA's estimate of gas prices going down.

In response to Mayor Johnson, Council Member Hansen and Mr. Morrow stated that there may be some new technology available with the geothermal, which is less than 20% of the City's renewable energy portfolio.

City Manager King provided an overview of the newly received ratings from Standard and Poor's and Fitch. He stated the improved ratings were based on the City's reduced open position, policy for reserves, and overall consistency. Council Member Hansen stated he is meeting with Fitch representatives and the goal is to continue improving and receive a AAA-rating again.

B-2 "Electric Utility Department Westside Substation Overview"

Electric Utility Director Morrow provided an overview of the Westside substation. Specific topics of discussion included substations, typical substation layout, Westside substation location, site map, property details, overview, preliminary layout, load serving capacity, schedule, tasks completed, proposed request for proposals, and summary.

In response to Council Member Hansen, Mr. Morrow stated, while there is current reliability and capacity, the goal is to ensure there is future reliability and capacity.

In response to Council Member Hitchcock, Mr. Morrow stated the standard load on a normalized station is 48 megawatts or below since this ensures that additional loads may be picked up if needed without harming the system.

In response to Myrna Wetzel, Mr. Morrow stated there is no way to store energy at a substation as they are only working on capacity.

In response to Council Member Hitchcock, Mr. Morrow stated they are generally looking at 70%.

In response to Mayor Johnson, Mr. Morrow stated new development will be contributing to the station and they will look to borrow funds until the development comes online.

In response to Council Member Hitchcock, Mr. Morrow stated there is approximately \$4 million remaining from the previous borrowing.

In response to Council Member Hansen, Mr. Morrow stated the best case scenario for the Lodi Project is 2011, but it will likely be a bit later than that and there may be good time correlation between the two.

City Manager King stated the pipeline rehabilitation information will be brought to Council on September 5.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Myrna Wetzel spoke in opposition to the graffiti within the City and gave examples of the same. Mr. King provided an overview of staff discussions, housing, proactive efforts, the County ordinance, and staff and/or contracting services to eliminate graffiti.

In response to Council Member Hitchcock, Mr. Prima stated the graffiti removal vehicle goes out twice a week and response time is generally within a week in good weather conditions.

In response to Council Member Hitchcock, Mr. King stated Community Development Block Grant funds could be expended on graffiti removal and the current budgeted amounts could be expended on removal as well. He stated he would like to have a full-time removal program if possible. Mayor Johnson suggested staff look into the matter and provide some thoughts to the City Council regarding the same.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:18 a.m.

ATTEST:

Randi Johl
City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, AUGUST 15, 2007**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of August 15, 2007, was called to order by Mayor Johnson at 6:35 p.m.

Present: Council Members – Hansen, Hitchcock, and Mayor Johnson

Absent: Council Members – Katzakian and Mounce

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

C-2 ANNOUNCEMENT OF CLOSED SESSION

a) Actual Litigation: Government Code §54956.9(a); One Case; Hartford Accident and Indemnity Company, et al. v. City of Lodi, et al., Superior Court, County of San Francisco, Case No. 323658

b) Actual Litigation: Government Code §54956.9(a); One Case; People of the State of California; and the City of Lodi, California v. M & P Investments, et al., United States District Court, Eastern District of California, Case No. CIV-S-00-2441 FCD JFM

C-3 ADJOURN TO CLOSED SESSION

At 6:35 p.m., Mayor Johnson adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 6:50 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:03 p.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

In regard to Items C-2 (a) and C-2 (b), settlement discussion was had and direction was given.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of August 15, 2007, was called to order by Mayor Johnson at 7:03 p.m.

Present: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Absent: Council Members – Mounce

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. INVOCATION

The invocation was given by Pastor Alan Kimber, First United Methodist Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Johnson.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 Proclamations – None

D-3 Presentations – None

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Hitchcock, Katzakian second, approved the following items hereinafter set forth **except those otherwise noted** by the vote shown below:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

- E-1 Claims were approved in the amount of \$7,500,105.48.
- E-2 The minutes of July 18, 2007 (Regular Meeting), July 24, 2007 (Special Joint Shirtsleeve Session w/Lodi Budget/Finance Committee), July 31, 2007 (Shirtsleeve Session), August 1, 2007 (Regular Meeting), August 3, 2007 (Special Meeting), and August 7, 2007 (Shirtsleeve Session) were approved as written.
- E-3 Received quarterly report of purchases between \$5,000 and \$20,000.
- E-4 Adopted Resolution No. 2007-165 authorizing the purchase and installation of an ASTRO P25 UHF voted repeater radio system from Motorola and Delta Wireless & Network Solutions in the amount of \$86,860 to replace the Lodi Police Department's existing primary communication channel.
- E-5 Adopted Resolution No. 2007-166 awarding the contract for security services at the Lodi Station and Lodi Station Parking Structure to Securitas Security Services USA, Inc., of Fresno, for the estimated three-year cost of \$255,000, and authorizing the City Manager to negotiate one two-year extension, with escalators not to exceed 5%.
- E-6 Adopted Resolution No. 2007-167 authorizing the purchase of process chemical sodium hydroxide for use at the White Slough Water Pollution Control Facility from Basic Chemical Solutions, of Santa Fe Springs, in the amount of \$55,500, and authorizing the City Manager to approve additional purchases.
- E-7 "Adopt Resolution Awarding Professional Services Agreement for City of Lodi Short Range Transit Plan 2007-2017 to Nelson/Nygaard Consulting Associates, of San Francisco, and Appropriating Funds (\$57,000)" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-8 Authorized the City Manager to execute renewal and amendment to service agreement contract with the San Joaquin County Sheriff's Office for Community Corps for the period of August 1, 2007 through June 30, 2008.
- E-9 Authorized the Treasurer to enter into agreement with Farmers and Merchants Bank of Central California for the issuance of a City credit card for Community Center Director James Rodems and Interim Parks and Recreation Director Steve Dutra.
- E-10 Approved addendum to State of California Purchase Card Program.
- E-11 Adopted Resolution No. 2007-168 approving pedestrian safety improvements on Century Boulevard at Dartmoor Circle with funds provided by Lodi Unified School District for the benefit of Tokay High School.
- E-12 Adopted Resolution No. 2007-169 approving pedestrian crossing on Woodhaven Lane at Inglewood Drive with funds provided by Lodi Unified School District for the benefit of Woodbridge Elementary School.

- E-13 "Authorize City Manager to Participate in Discussions on the Formation of the Central Valley Resources Agency" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar.**
- E-14 Set public hearing for September 5, 2007, to introduce ordinance amending Chapter 13.20, "Electrical Service," by amending Section 13.20.210, Schedule EM (Mobile Home Park Service), to become effective November 1, 2007.
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ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

- E-7 "Adopt Resolution Awarding Professional Services Agreement for City of Lodi Short Range Transit Plan 2007-2017 to Nelson/Nygaard Consulting Associates, of San Francisco, and Appropriating Funds (\$57,000)"

This item was pulled for further discussion by Council Member Katzakian.

In response to Council Member Katzakian, Mr. Prima stated the agreement is being done at this time because there are pending projects including Reynolds Ranch and Blue Shield. He stated it is cost effective to do them together and they are conditioned to do a transit study based on environmental requirements.

In response to Council Member Katzakian, Mr. Prima stated the residential development may be a ways off, but the Blue Shield and commercial areas are much closer. He stated service should be available when the doors open.

In response to Mayor Johnson, Mr. Prima stated the information from the study is valid for quite some time unless the plans themselves change significantly.

In response to Council Member Hitchcock, Mr. Prima stated the timing should be consistent with the tentative map process.

MOTION / VOTE:

The City Council, on motion of Mayor Johnson, Hansen second, adopted Resolution No. 2007-170 awarding professional services agreement for City of Lodi Short Range Transit Plan 2007-2017 to Nelson/Nygaard Consulting Associates, of San Francisco, and appropriating funds in the amount of \$57,000. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

- E-13 "Authorize City Manager to Participate in Discussions on the Formation of the Central Valley Resources Agency"

This item was pulled for a presentation by Council Member Hitchcock.

City Manager King provided an overview of the request to participate in discussions about the formation of the proposed Agency. Mr. King specifically discussed the City's contact with PacWest Communications, participation by public and private agencies to look at funding issues for flood and levy issues, other related water issues that may arise, original request for a resolution endorsing the group, communications with the Stockton City Manager regarding the same, the Sacramento County group, purpose of a united voice to address flood and levy control issues, general water concerns for the City, the need to have a seat at the table without financial contribution, and the request to do the same.

In response to Council Member Hitchcock, Mr. King stated staff is requesting a vote on the matter because it is a topic of general concern and staff felt it was important for the Council to be aware of the related issues.

In response to Council Member Hitchcock, Mr. King stated a vote is needed to signal the Council's awareness of the issues and further information will be brought back as it becomes available.

In response to Council Member Hitchcock, Mr. King stated he has not yet had an opportunity to look at the Sacramento model.

Kelly Foote spoke in favor of the proposed item. He specifically discussed the status of the organization as a 501(c)(4), private and public entity involvement, flooding and levy issues throughout the County, Sacramento County model, objectives of the organization, funding issues, PacWest Communications business make-up as a private lobbying company, the ability to bring all interested parties together, possible request for dollars for membership assessed on a need basis, lobbying efforts for federal funds and advocacy on the main issues, public education in response to Federal Emergency Management Agency regulations, and other issues, which may include levy construction, upstream requirements, habitat issues, and groundwater recharge.

In response to Mayor Johnson, Mr. Foote stated there are proposed draft bylaws, but the membership, when formed, will finalize the same.

In response to Council Member Hitchcock, Mr. Prima stated the County sent a package of information, but the bylaws were not clearly identified in the package. Mr. King stated that the current action before the Council is limited to participation in the discussions only.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Katzakian second, authorized the City Manager to participate in discussions on the formation of the Central Valley Resources Agency. The motion carried by the following vote:

Ayes: Council Members – Hansen, Katzakian, and Mayor Johnson

Noes: Council Members – Hitchcock

Absent: Council Members – Mounce

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Ted Koffee, Vice President of the Boosters of Boys and Girls Sports Organization (BOBS), spoke in favor of the organization's contribution of \$20,000 to the "Save the Grape Bowl" effort on behalf of the kids in the community. Council Member Hansen and Mayor Johnson thanked the BOBS for the contribution.
- Richard Jones of the Lodi Boys and Girls Club invited the community and Council to attend the Hall of Fame dinner on October 13, 2007, and introduced the inductees.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Council Member Hansen reported on his attendance at a meeting with Northern California Power Agency and Fitch in Calistoga. He also briefly discussed the geyser geothermal project and solar electric project with water pumps as a green resource.
- Mayor Johnson commended Aaron England of the U.S. Air Force Auxiliary for his contributions as a volunteer to the City's beautification.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

None.

I. PUBLIC HEARINGS

None.

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

- a) “Appointment of Alternate to the San Joaquin County Solid Waste Management Task Force”

It was requested that this item be brought back to the City Council at the next regularly scheduled meeting after further information regarding meeting schedules and appointment requirements was obtained.

- b) The City Council, on motion Council Member Hitchcock, Johnson second, directed the City Clerk to post for the following vacancy and re-post for the two remaining vacancies by the vote shown below:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

Lodi Arts Commission

Beverly Norcross Term to expire July 1, 2010

Vacancy Term to expire July 1, 2008

Vacancy Term to expire July 1, 2008

J-3 Miscellaneous

- a) The City Council, on motion of Council Member Hansen, Johnson second, accepted the cumulative Monthly Protocol Account Report through July 31, 2007. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

K. REGULAR CALENDAR

K-1 “Receive Results of the 2007 Lodi Citizen Survey”

City Manager King provided an overview of the survey. Specific topics of discussion included citizen satisfaction, approximately \$13,000 cost, study methods, characteristics of residents, use of services and facilities in the last 12 months, core services results, comparisons with national norms, results, value, what residents want, sales tax for public safety, and greenbelt support or opposition, specific questions for support on City-specific responses, and general information provided by survey.

In response to Mayor Johnson, Mr. King stated there is no way to tell from the generalized question on whether or not there was confusion among the responders to the survey regarding fire and ambulance service.

In response to Council Member Hitchcock, Mr. King stated the results and numbers showing how the City’s results compare with other jurisdictions is posted on the City’s website.

In response to Council Member Hansen, Mr. Prima stated citizens with questions or concerns regarding traffic signal timing can contact him or the City Engineer in the Public Works Department. Council Member Hansen requested that information be provided to the Council regarding the same in the future.

In response to Council Member Hitchcock, Mr. Hood stated additional information is also available on the City's website at www.lodi.gov.

MOTION / VOTE:

There was no Council action taken on this matter.

RECESS

At 8:20 p.m., Mayor Johnson called for a recess, and the City Council meeting reconvened at 8:31 p.m.

K. REGULAR CALENDAR (Continued)

K-2 "Approve Staff Recommendation for Preferred Site Selection for the Lodi Surface Water Treatment Facilities"

Public Works Director Prima and Richard Stratton (HDR) provided an overview of the alternative site evaluation – initial screening. Topics of discussion included purpose of initial screening, selection criteria, potential surface water treatment facility sites, location of alternative sites, pictures of alternative sites, preliminary evaluation, membrane water treatment plant, conventional water treatment plant, size of site, environmental impact, flood hazard, pipeline, cost, educational opportunities, aesthetic compatibility with surroundings, findings and recommendations, location of recommended site, parks and recreation issues, Commission comments, site aerial view, and the next steps.

In response to Council Member Hansen, Mr. Stratton stated the land acquisition chart shows units in \$1,000 and Site A and E would be close to \$2 million.

In response to Council Member Hansen, Mr. Prima stated the initial Woodbridge Irrigation District (WID) contract provided for a three-year banking period with an extension option. He stated staff is meeting with the District shortly and will be coming back to the Council in the next few months.

In response to Council Member Hansen, Mr. Prima stated the building would need to be raised a little, but the berm separator would stay in place.

In response to Council Member Hansen, Mr. Prima stated the flood maps show that water may come out of the lake by the entrance; although, there is protection with the Commanche Dam in place.

Council Member Hitchcock stated all alternatives should be looked at carefully for costs and impacts on development, existing residents and the plant. She stated she was in favor of Alternative B.

In response to Council Member Katzakian, Mr. Prima stated the pipeline and pump station are upstream and come down and will get five acres or less. Mr. Prima stated there is a trail on the site now.

In response to Council Member Katzakian, Mr. Prima stated it is not a current park and the pipeline can go underneath the railroad.

Discussion ensued between Mayor Johnson and Mr. Stratton regarding water flow down the canal and extraction, Site D options, piping cost versus land savings for Site A and Site B, \$7.5 million for piping, which includes fish screen, WID canal, Bakersfield's dealings with the Department of Health for related matters, risk associated with treatment, negotiations and contract for drawing water, Site D options, and structure costs.

In response to Council Member Katzakian, Mr. Prima stated filtering water back into the City will cost more, the Awani site will take additional work and permitting, and permitting for new diversion points is difficult when one exists already as intake is not recommended.

In response to Mayor Johnson, City Manager King stated the City Council previously considered options associated with forming a Mello-Roos district, assumptions regarding the burden of the cost to be shared by new and existing development, and utilizing development agreements as a tool for the financing element.

Discussion ensued between Mayor Johnson, Council Member Katzakian and Council Member Hansen regarding utilizing the 5-acre piece versus the 13-acre piece and overall use of parkland.

In response to Council Member Hansen, Mr. Prima stated staff has not yet spoken with General Mills regarding its interest level and/or its future plans. Mr. Prima suggested reviewing both sites simultaneously while speaking with General Mills to ascertain its interest level.

In response to Council Member Katzakian, Mr. Prima stated there is no specific plan currently on exact location of the site.

MOTION #1 / VOTE:

Council Member Hansen made a motion, Katzakian second, to move forward with looking at both Site A and Site B. The motion **failed** by the following vote:

Ayes: Council Members – Hansen and Katzakian
Noes: Council Members – Hitchcock and Mayor Johnson
Absent: Council Members – Mounce

City Manager King requested additional deliberation to provide direction to staff.

Discussion ensued between the City Council regarding the possibility of looking at Site B and confirming interest on behalf of General Mills regarding the same.

MOTION #2 / VOTE:

The City Council, on motion of Council Member Hitchcock, Johnson second, directed staff to review the options available for Site B and present information regarding the same to the City Council at the next regularly scheduled meeting. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson
Noes: Council Members – None
Absent: Council Members – Mounce

K-3 “Adopt Resolution Accepting the Estimates of Value and Authorizing the Sale of City-Owned Property”

Fire Chief Pretz provided an overview of the subject matter and specifically discussed the valuations from the appraisal report.

Discussion ensued between Council Member Hansen, Chief Pretz, and City Manager King regarding the possibility of utilizing the Lockeford Street property as affordable housing, similar to the Kentucky House Project, if the site was donated and developer options regarding the same.

Council Member Hitchcock stated she would like to see the proposed sale of the subject properties coincide with redevelopment if possible.

Discussion ensued between Council Member Hitchcock, Chief Pretz, City Manager King, and City Attorney Schwabauer regarding the Awani property site, usage history of the site, and potential options for buyers regarding contractual obligations and environmental analysis.

In response to Council Member Hitchcock, Mr. Prima stated it is likely that the Century Boulevard right of way will not be built due to funding. Mr. Prima also provided a brief history of the right of way.

Kathy Grant spoke in opposition to any proposed sale of the Awani property based on her concerns regarding preservation of the scenic overlook and public access.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Hitchcock second, adopted Resolution No. 2007-171 accepting the estimates of value and authorizing the sale and/or lease of the following City-owned properties by the vote shown below:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

- 1119 – 1120 Awani Drive (APN 041-250-38 & 041-410-01) 3.65 acres – \$1,200,000
- 217 East Lockeford Street (APN 041-220-02) 1.36 acres – \$ 340,000
- Century Boulevard right-of-way (West of Stockton Street) 3.06 acres – \$ 400,000*

**Annual lease payment of \$40,000 for this property based on appraised value.*

K-4 “Adopt Resolution Authorizing the City Manager to Issue a Request for Proposals for Brokerage Services to Sell Surplus City-Owned Real Estate Properties”

City Manager King provided an overview of the subject matter and proposed brokerage services.

In response to Council Member Hitchcock, Mr. King stated that the request for proposals was open to anyone. City Attorney Schwabauer stated current Planning Commissioner Hennecke would be ineligible to vote on the matter.

In response to Mayor Johnson, Mr. King stated minimums were the appraised amounts. Mr. King provided an overview of the gifting of public funds and estimated values. He confirmed there is no commission.

Discussion ensued between Council Member Hitchcock, Mayor Johnson, and City Manager King regarding the timing of the proposed sale, the need for quality industrial sites, market fluctuations and the process associated with any potential sale.

In response to Council Member Hansen, Mr. King confirmed that the City Council has final say on any actual sale of the property.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Johnson second, adopted Resolution No. 2007-172 authorizing the City Manager to issue a request for proposals for brokerage services to sell the 9.09-acre real estate property located at 500 South Guild Avenue; the 3.65-acre parcel at 1119-1120 Awani Drive; the 1.36-acre parcel at 217 East Lockeford Street; and lease the 3.06-acre right-of-way on Century Boulevard (west of Stockton Street), utilizing a two-tiered brokerage fee structure. The motion carried by the following vote:

Ayes: Council Members – Hansen, Katzakian, and Mayor Johnson

Noes: Council Members – Hitchcock

Absent: Council Members – Mounce

- K-5 “Adopt Resolution Authorizing the City Manager to Execute a Contract with Moore, Iacofano, & Goltsman Inc. to Prepare Guidelines for Transit Oriented Development”

Planning Manager Peter Pirnejad provided a presentation regarding the proposed agreement. Specific topics of discussion included process, requests by five companies, Transit Oriented Development proposal rating system, Moore, Iacofano, & Goltsman Inc. qualifications, staff workings with proposed company, and the design guidelines process.

In response to Council Member Hansen, Mr. Pirnejad stated the City received a grant for this project and no general funds were expended. Mr. King stated the top three consultant proposals were within \$1,000 of one another.

In response to Council Member Hansen, Mr. Pirnejad stated there are additional improvements to be made at the Smart & Final site, but the landscaping work to be performed by Smart & Final was completed. Mr. King stated the EMap program is a separate piece and the grant will position us to receive additional funding in the future.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, adopted Resolution No. 2007-173 authorizing the City Manager to execute a contract with Moore, Iacofano, & Goltsman Inc. to prepare guidelines for Transit Oriented Development in the amount of \$84,435. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

- K-6 “Approve Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation (\$140,263.96)”

MOTION / VOTE:

The City Council, on motion of Mayor Johnson, Hansen second, approved the expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program litigation in the amount of \$140,263.96, as detailed below, by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

Folger Levin & Kahn – Invoices Distribution

Matter No.	Invoice No.	Date	Description	Water Account Amount
8002	103186	Jun 07	People v. M&P Investments	\$ 6,559.19
8003	103187	Jun 07	Hartford Insurance Coverage Litigation	\$158,876.10
			Contingency Fee Amount Savings	(100,738.00)
			Credit for June Client Charges for overpayment of Costs on Inv. #102108	(8,138.10)
8008	103188	Jun 07	City of Lodi v. Envision Law Group	\$ 72,462.81
	14648	Feb-Apr 07	PES Environmental, Inc. (Keith O'Brien)	\$ 3,386.00
			Total	\$132,408.00

MISCELLANEOUS

Invoice No.	Date	Description	Water Account Amount
875201	7/26/2007	Harry A. Cannon	\$ 2,020.80
875401	7/27/2007	Harry A. Cannon	\$ 1,896.85
1315518-100	6/29/2007	JAMS Mediation Services	\$ 1,644.66
CA14489	7/18/2007	Veritext Orange County Reporting Co.	\$ 1,001.30
CA14507	7/18/2007	Veritext Orange County Reporting Co.	\$ 1,292.35
		Total	\$ 7,855.96

Continued August 15, 2007

L. ORDINANCES

None

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 10:31 p.m.

ATTEST:

Randi Johl
City Clerk

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, AUGUST 21, 2007**

EXHIBIT C

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, August 21, 2007, commencing at 7:00 a.m.

A. ROLL CALL

Present: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson
Absent: Council Members – Mounce
Also Present: City Manager King, City Attorney Schwabauer, and Deputy City Clerk Perrin

B. TOPIC(S)

B-1 "Receive Status of San Joaquin County's Consideration of an Armstrong Road Agricultural/Cluster Zoning Classification"

City Manager King briefly introduced the subject matters.

Community Development Director Randy Hatch reported that since the 1980s the City has been looking at the possibility of a greenbelt between Stockton and Lodi and various efforts have been made through the 2x2x2 Committee (which is now defunct) that included representatives from Stockton, Lodi, and San Joaquin County and the Council-appointed Community Separator/Greenbelt Task Force, which is comprised of property owners and interested parties. The Task Force developed a draft preliminary program to create a greenbelt that would permit the continuation of agricultural uses as provided in the San Joaquin County zoning ordinance while at the same time allowing limited residential development to occur to provide an economic benefit to the property owners. Mr. Hatch reviewed the area covered in the proposal and the proposed legislative changes, as well as the provisions/restrictions in the proposed zone including, but not limited to, credits per acres of ownership, minimum lot size, limited public improvements, and annexation into and services provided by the City. The plan was not adopted by Council as members of the Task Force, who were also property owners in the area, requested time to develop an alternative plan.

In the meantime, the City submitted a greenbelt concept to the Council that would ensure the preservation of existing crop production and that development is consistent with the existing agricultural/rural uses on large parcels required by the current County general agriculture designation. Mr. Hatch reviewed the area covered by the proposal and the proposed legislative changes, as well as the permitted uses in the proposed zone including, but not limited to, no additional development in the area permitted except for uses currently permitted in the County's land use designation, only agricultural related activities and divisions of land with a minimum size of 40 acres permitted, and land not to be annexed into the City. The proposal went before the Task Force, Planning Commission, and Council; however, it was delayed for six months at the request of the property owners in order for them to solidify their proposal and present it to the County.

The property owners developed a concept to create an "Armstrong Road Agricultural/Cluster Zoning Classification" to create a buffer between Stockton and Lodi without depriving property owners of their Constitutional and legal rights and to promote the buffer area without the significant expenditure of taxpayers' money. The proposed provisions/restrictions in the zone include, but are not limited to, subject area would remain under the County jurisdiction, creation of residential parcel for each five acres of land, eligible building site size, encouragement of cluster development (but not a requirement), and subdivider relinquishing right to further subdivide property. The concept was presented to the County Board of Supervisors on June 5, at which time County staff was asked to

prepare supplemental information and report back in September on the affects of this proposal as it relates to density, business, services, irrigation, roads and traffic, and large nearby parcels. The Board could either direct County staff to utilize the proposal and incorporate the language or wait until the County updates its General Plan. County staff estimates it could cost \$200,000 to \$300,000 to move this proposal forward and it would require an Environmental Impact Report.

In response to Council Member Hansen, Mr. Hatch estimated that the County is two to three years away from completing its General Plan as it has not yet begun the process.

Mr. Hatch provided a detailed comparison of the three concepts, pointing out the similarities and differences in the intent, area covered by the proposals, and the proposed provisions/restrictions of the proposals.

Council Member Hansen expressed concern that the cost of extending water and sewer services to a small number of parcels would be expensive, to which Mr. Hatch stated that the details and costs have not been analyzed; however, he added that an internal subsidy may be worth the cost in order to create a greenbelt that is of high value to this community. In order for the area to be annexed into the City, the provision of services is a key requirement.

Council Member Hitchcock stated that the proposal by the property owners appears not to protect the area or preserve open space. Mr. Hatch stated that the development of five-acre properties allows for agricultural uses. The City of Lodi's provisions would allow for some development, but it would not open up the possibility to intensive suburban type development.

Mr. King stated that this matter would come back to Council for direction at its second meeting in September.

Ken Vogel, Lodi's representative on the San Joaquin County Board of Supervisors, informed Council that the Board had several questions regarding the proposal that it requested County staff to research, including clarification of the language regarding clustering and whether zoning would be mandatory or voluntary.

Public Works Director Prima stated that no analysis has been done on the cost of water and sewer services and some discussion will be necessary on the level of service to be provided. There may also be concerns at the State level regarding contamination in wells and septic tanks; therefore, alternative methods may be necessary for the rural residents.

Pat Patrick, Executive Director of the Lodi Chamber of Commerce, believed that the proposal from the property owners fell short in the area covered and was concerned that Stockton would develop the area to the west, which is not included in the proposal, particularly since the area is near a major thoroughfare. In addition, he believed it was crucial to maintain the orchards and vineyards surrounding Lodi for economic reasons as Lodi is a wine destination.

Bruce Fry expressed support for the proposed zoning and for maintaining the farming and agricultural community in Lodi.

A citizen residing north of Eight Mile Road (who did not identify herself) questioned if her property would become part of Stockton in the future, to which Mr. King responded that, although Stockton's sphere of influence was not completed, the likelihood was possible.

B-2 "Receive Report on San Joaquin Local Agency Formation Commission Draft Policies and Procedures"

Mr. Hatch reported that the Local Agency Formation Commission (LAFCO) is required to have written policies and procedures in place, which it has recently updated and was reviewed at its last meeting. Staff is concerned with Section 4 of the policy, "Open Space and Rural Lands," because it discourages open space and development that was "not planned for." The language states that LAFCO would only approve lands within a sphere of influence that would be slated for full development within a 20-year timeframe. Section 5, "Community Separators," encourages greenbelts; however, it does not use the concept of a sphere of influence to make that happen. Section 10, "Areas of Interest," would allow a geographic designation as being in a city's area of interest; however, it has no real authority or power, and the guidelines do not address how the land is designated. The main concern is that the draft policies and procedures do not allow cities to utilize the tools it has, such as a sphere of influence, for land use planning.

In response to Council Member Hansen, City Attorney Schwabauer stated that LAFCO already has the power to approve or deny a sphere of influence and the proposal to not use a sphere of influence for the purpose of a greenbelt would not matter. A city's best defense would be a writ of mandate against LAFCO; however, the outcome would be unclear. In further response, Mr. Schwabauer stated that, if the City wished to adopt an AL-5 zone and annex the property into its limits, LAFCO would have a difficult time denying the application because there would be an intention of services.

Mr. King believed that LAFCO's proposal encouraged those cities that are most aggressive to receive sphere of influence amendments and that a 20-year timeframe for planning of infrastructure is too short a time horizon.

Mr. Hatch stated that LAFCO took no action on the policies and procedures and continued its last meeting to September. The planning directors within the county are joining together to weigh in on the matter.

In response to Council Member Hansen, Bruce Fry stated that the property owners do not wish to be annexed into the City of Lodi and that the AL-5 zoning allows the potential for capital. Council Member Hansen stated that he believed the County would not support the AL-5 zoning, to which Mr. Fry believed it would if there was support from the City.

Pat Patrick believed it was not the job of LAFCO to tell cities what its plans are for the future and if the farming community and the City could find common ground based on shared economic interest, LAFCO and the County would support the zoning request.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:29 a.m.

ATTEST:

Jennifer M. Perrin
Deputy City Clerk

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, AUGUST 28, 2007**

The August 28, 2007, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Randi Johl
City Clerk